

## REMARKS

Original claims 1 – 18 and new claims 21 - 34 are pending. Claims 19, 20 are canceled. No new matter has been introduced by this amendment into the specification and/or claims.

Applicant appreciates the prompt and thorough review given by the Examiner. In response, Applicant has given the Office Action very careful consideration, and the above amendments and remarks below are intended to fully address each concern raised by the Examiner. Accordingly Applicant submits that the present case should be in condition for allowance.

The rejections are addressed through a combination of traverse, amendment and argument as noted below. Briefly:

- the § 101 rejections are fully addressed; Applicant submits that the previous rejection by the Examiner based on a separate “technological arts” criteria is now inapplicable given the recent Ex Parte Lundgren decision. As explained below, the claims as amended fully comply with any statutory requirements imposed under § 101.
- the § 112 rejections are now moot as Applicant has addressed any concerns in this respect as explained below;
- the single prior art § 103 rejection based on Hastings et al (6584450) taken with Pennell et al (6,874023) is also addressed through specific amendments which clearly define patentable subject matter over any such teachings provided by such combination.

The new claims are also distinguishable as well for the reasons set forth below.

New independent claim 21 is a re-written version of original claim 5; the latter was not rejected under any prior art, and on that basis, the limitations of such claim have been re-written into independent form as claim 21 and it (and claims 22 – 24 depending therefrom) should be allowable.

New independent claim 25 is a re-written version of original claim 18; the latter was not rejected under any prior art, and on that basis, the limitations of such claim have been re-written into independent form as claim 25 and it (and claims 22 – 24 depending therefrom) should be allowable.

New independent claim 30 is directed to more specific embodiments which generate a notification in response to a number of playable media items falling below a threshold identified by the subscriber for the subscriber rental queue. This claim and its dependent claims should also be allowable for the reasons set out below.

Reconsideration and favorable action is thus requested.

Response to § 101 rejection:

The Examiner originally rejected claims 1 – 18 based on a test which is no longer applicable, i.e., the so-called “technological arts” criteria recently instituted by the PTO. Given the recent decision in Ex parte Lundgren, Appeal No. 2003-2088 (BPAI 2005),<sup>1</sup> Applicant therefore traverses this rejection and submits that it is no longer sustainable.

Nonetheless Applicant realizes that new guidelines are now being implemented, and to ensure that the issue does not crop up again he has attempted to remedy any potential problems in advance. Consequently Applicant has added the “computer” language to the claim to obviate any future concern the Examiner may have that all of the operative steps could be performed by a human being. Furthermore, as the Examiner can plainly understand, the fact that the notification is not generated all the time is not dispositive. The present invention clearly does generate useful output (i.e., an electronic notification) under predefined conditions. In fact, as the Examiner can see, from the subscriber’s perspective the lack of a notification is also useful information, as it communicates, in this instance, that the notification rules have not been satisfied.

In any event Applicant submits that the test proposed by the Examiner (i.e., does it always manipulate or change matter from one state to another) is inapposite. There are a plethora of methods, structures which do not manipulate or change the state of something all the time, just as in this instance.<sup>2</sup>

Finally, it should be noted that the present application is directed to process claims, and when reciting the use of a computer for at least some of such steps they plainly fall within the scope of § 101. See e.g., AT&T v. Excel 172 F.3d at 1361 (Fed. Cir. 1998)... **Since the claims at issue in this case are directed to a process in the first instance, a structural inquiry is unnecessary.** (emphasis added)

Thus Applicant believes the present § 101 rejections are rectified and should be withdrawn.

Response to § 112 rejections:

The Examiner rejected claims 2, 4, 7, 8 and 9 as indefinite. These claims have been amended appropriately to remedy any further concerns.

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<sup>1</sup> “...Our determination is that there is currently no judicially recognized separate “technological arts” test to determine patent eligible subject matter under § 101. Id. (emphasis added).

<sup>2</sup> For example, under this definition even an improved tool such as a hammer would not be patentable, simply because there are many instances where it is not being used to manipulate or change the state of something else.

For claims 7, 8, 9: it should be apparent now that these are directed to alternative techniques by which a user can set up a set of rules which automatically cause a modification to a subscriber rental queue. In claim 7, for example, a modification may be made to a queue based a certain quantity of playable media remaining; such as in the instance where a queue is otherwise empty and would otherwise result in no product being shipped to the user. Or alternatively as set out in claim 8, if a recommender system has determined that a particular title may be appropriate for that person, such person's queue may be modified.

Claim 9 is believed to be definite as is, since it merely sets out that as part of the queue replenishment control rules (claim 6) the user can specify as one of the options that the playable media item (to the extent such is recommended – claim 8) be designated as the next to be delivered.

As such, the claim is not concerned about whether the determination has been made in fact as noted by the Examiner; it is merely reciting how a user can configure how such playable media item is to be handled if indeed such event does occur. Accordingly it is believed to be sufficiently definite as worded.

#### Rejection under §103

The Examiner has cited the combination of Hastings (6,584,450) taken in combination with Pennell (U.S. Patent No. 6,874,023) as making the present claims obvious. While Applicant believes there are several significant differences between the claims and the cited references, and there is a significant lack of suggestion/motivation to combine, the present discussion focuses primarily on the fact that it can be seen quite plainly that the Hastings reference does not in fact teach “queue replenishment rules.” Accordingly a rejection under § 103 is improper; to make this distinction more clear nonetheless Applicants have amended the claim to further define over the reference.

As the Examiner notes, in the Hastings scheme when a DVD is returned, another DVD is “taken out” of a rental queue (containing titles the subscriber wishes to see) and moved to a checked out status (a form of delivery queue). The present invention is entirely compatible with this behavior; however, this activity (simply taking titles out of the subscriber rental queue and moving them to the delivery queue) is not the same as “...monitoring the **subscriber rental queue** with a computer in accordance with ... **a separate set of queue replenishment control rules...**” (emphasis added).

The method of claim 1, in fact, is concerned with ensuring that a subscriber is made aware of a subscriber rental queue composition, and to make it easier to ensure that the user is more likely to receive playable media of interest. In the Hastings system, as the Examiner notes, titles are taken

out, but there is no “replenishment” shown or suggested. In other words the system does not “monitor” for such purpose and never sends a notification for example when a subscriber rental queue is low, empty, etc.;<sup>3</sup> thus it does not have the capability to determine if the “... composition of playable media titles in the subscriber rental queue should be altered through additions of playable media titles.” Nor does Hastings show any mechanism for changing an “ordering” of titles in a queue; it remains precisely as before, even if a DVD is moved into a delivered status. The Pennell reference includes technology that can also benefit from the present invention; nonetheless it fails to disclose the aforementioned “queue replenishment control rules” as well, and for that reason cannot salvage the deficiencies in Hastings.

One of the key criteria needed to establish *prima facie* obviousness of a claimed invention is that all the claim limitations must be taught or suggested by the prior art. *In re Royka*, 490 F.2d 981, 180 USPQ 580 (CCPA 1974). “All words in a claim must be considered in judging the patentability of that claim against the prior art.” *In re Wilson*, 424 F.2d 1382, 1385, 165 USPQ 494, 496 (CCPA 1970). *See, e.g.*, MPEP 2143.03; 706.02(j).

In this instance, the references clearly fail to disclose all limitations of the claim. On this basis, Applicant submits that the rejection cannot be sustained.

#### Dependent claims 2 – 18

The dependent claims should be allowable for at least the same reasons as above. Moreover, claims 2 – 4 and 6 again are concerned with alterations (additions or removals) from the subscriber rental queue, which feature Hastings does not disclose.

Furthermore as amended claims 7 – 8 further distinguish over Hastings; the latter says nothing about automatically sending a notification based on a quantity of playable media items (claim 7) or a recommendation (claim 8); nor does it suggest pushing the title to make it the “next to be delivered...” as set out in claim 9.

For claim 10: again, Hastings discloses no mechanism for having a recommender system propose an express alteration or change in an ordering of titles in combination with a notification to this effect.

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<sup>3</sup> These are just examples of the trigger events, and the specification indicates others for example, such as availability of new media, more preferred media, etc., so the claim is not limited in this fashion.

#### New claims 21 - 34

As indicated above, new independent claim 21 is based on original claim 5. Since the Examiner apparently acknowledges that the latter presents patentable subject matter, it is has been re-written so as to cure any § 101 issues as well. Dependent claims 22 – 24 merely add further limitations directed to narrower embodiments.

New independent claim 21 is based on original claim 18. Since the Examiner apparently acknowledges that the latter presents patentable subject matter, it is has been re-written so as to cure any § 101 issues as well. Dependent claims 26 – 28 merely add further limitations directed to narrower embodiments.

New independent claim 30 is directed to more specific embodiments which generate a notification in response to a number of playable media items falling below a threshold identified by the subscriber for the subscriber rental queue. For example a subscriber could request that he/she be sent a notice if their queue is empty, or is down to one title, two titles, etc. This claim and its dependent claims (31 – 34) should also be allowable for the reasons set out above.

#### Other Cited References:

Applicant has also considered the other references to “Netflix Freak 1.0” and “DVD Rental System” identified by the Examiner. Like the Examiner, Applicant was not able to locate a date for such references. Nonetheless Applicant submits that all available data suggest that such references are not prior art. For example, the materials available for Netflix Freak 1.0 indicate that the release date was December 3, 2003, more than 10 months after the Applicant’s filing date. The materials for the “DVD Rental System” are also indicated to be post Applicant’s filing date.

Consequently all evidence presently at hand reveals that these materials are not prior art to Applicant’s invention.

Conclusion

The Applicant has fully addressed all the outstanding rejections, and submits that the above should place the present case in condition for allowance.

Please charge any additional fees to deposit account no. 501-244. Should the Examiner wish to discuss anything related to this case in person, feel free to contact the undersigned at any convenient time.

Respectfully submitted,

J. Nicholas Gross  
Registration No. 34,175  
Attorney for Applicant(s)



December 9, 2005  
2030 Addison Street  
Suite 610  
Berkeley, CA 94704  
Tel. (510) 540-6300  
Fax (510) 540-6315

I hereby certify that the foregoing is being deposited with the U.S. Postal Service, postage prepaid, to Commissioner for Patents, P.O. Box 1450 Alexandria, VA 22313-1450 this 9<sup>th</sup> day of December 2005.